

## Thank You!

Please continue to engage with us through:

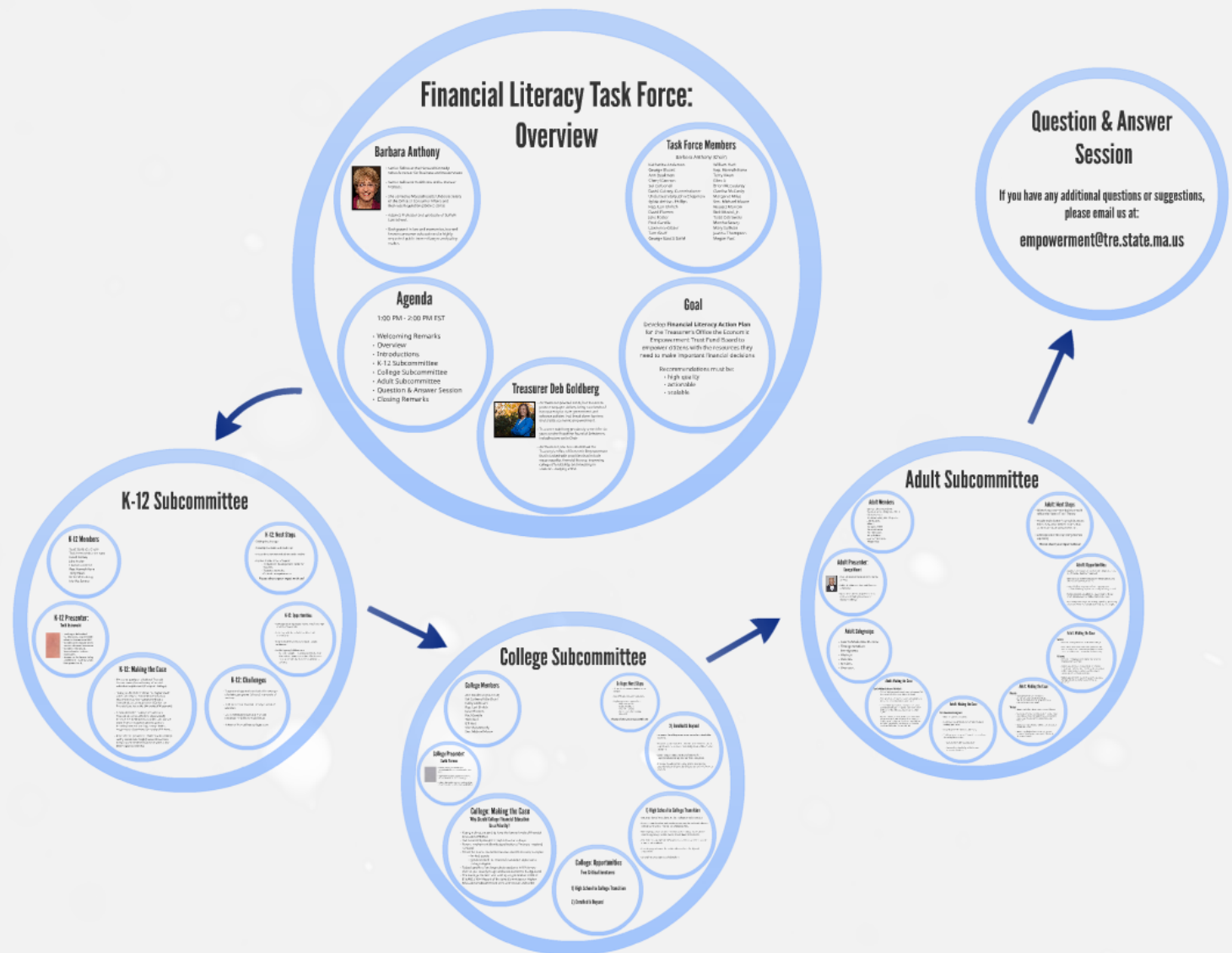
Email: [empowerment@tre.state.ma.us](mailto:empowerment@tre.state.ma.us)



Twitter: @EmpowermentMA

The Seal of the Commonwealth of Massachusetts is centered in the background. It features a shield with a Native American figure holding a bow and arrow, a five-pointed star above the figure's right shoulder, and a crest above the shield showing a bent arm holding a broadsword. A ribbon scrolls around the shield with the Latin motto: "ENSE PETIT PLACIDAM SVB LIBERTATE QVIETEM".

# **Massachusetts Financial Literacy Task Force Webinar**



# Financial Literacy Task Force: Overview

## Barbara Anthony



- Senior Fellow at the Harvard Kennedy School's Center for Business and Government
- Senior Fellow in Healthcare at the Pioneer Institute
- She served as Massachusetts Undersecretary of the Office of Consumer Affairs and Business Regulation (2009 to 2015)
- Adjunct Professor and graduate of Suffolk Law School.
- Background in law and economics, is a well known consumer advocate and a highly respected public interest lawyer and policy maker.

## Task Force Members

Barbara Anthony (Chair)

Katherine Anderson	William Hart
George Blount	Rep. Hannah Kane
Ann Bookman	Terry Kwan
Cheryl Cannon	Giles Li
Soi Carbonell	Brian McCoubrey
David Cotney, Commissioner	Ciantha McCurdy
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Jake Foster	Todd Ostrowski
Paul Gentile	Mertha Savery
Lawrence Glazer	Mary Sullivan
Tom Graff	Jeanne Thompson
George (Scott) Guild	Megan Yost

## Agenda

1:00 PM - 2:00 PM EST

- Welcoming Remarks
- Overview
- Introductions
- K-12 Subcommittee
- College Subcommittee
- Adult Subcommittee
- Question & Answer Session
- Closing Remarks

## Goal

Develop **Financial Literacy Action Plan** for the Treasurer's Office the Economic Empowerment Trust Fund Board to empower citizens with the resources they need to make important financial decisions

Recommendations must be:

- high quality
- actionable
- scalable

## Treasurer Deb Goldberg



- As Treasurer (elected 2014), her focus is to protect taxpayer dollars, bring new levels of transparency to state government and advance policies that break down barriers and create economic empowerment.
- Treasurer Goldberg previously served for six years on the Brookline Board of Selectmen, including two as its Chair
- As Treasurer, she has established the Treasury's Office of Economic Empowerment that is tasked with priorities that include wage equality, financial literacy, improving college affordability, and investing in students studying STEM.

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K-12: Next Steps

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Lawrence Glazer  
Rep. Hannah Kane  
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## K-12 Presenter:

Todd Ostrowski



- Teaching middle school mathematics at Baird Middle School in Ludlow since 2007
- Member and Treasurer of the Ludlow Education Association
- Member of the Board, Massachusetts Teachers Association
- Receiver of the Pioneer Valley Excellence in Teaching Award (Grinspoon Award)

## K-12: Making the Case

- MA scored poorly on a National Financial Literacy Survey for not having a financial education requirement [Champlain College].
- Young adults 18-22 in states had higher credit scores and fewer credit delinquencies than students in neighboring states without a financial education requirement [Center for Financial Security at the University of Wisconsin].
- A "snowball effect" takes place with early financial education efforts to exponentially increase the likelihood that students will pursue more financial education as time goes on, including informal learning through books, magazines and seminars [University of Arizona].
- Research has proven that children with a college saving account are roughly seven times more likely to attend college than those without one [Washington University].

## K-12: Next Steps

- Setting the strategy
- Develop the vision and road map
- 10 working recommendations under review
- Explore a wide range of topics:
  - Professional Development Points for Teachers
  - Resource networks
  - Curriculum requirements

Please share your input with us!

## K-12: Opportunities

- Leverage existing programs that may have high impact but low reach
- Leverage private sector resources and involvement
- Improve delivery models to reach target audiences
- Public Agency Collaboration  
Recent example: Treasury and Division of Banks have partnered to fund 20 financial education fairs for Fall 2015 in MA high schools

## K-12: Challenges

- Fragmented approach and lack of knowledge of existing programs delivered in a variety of settings
- High barriers to financial literacy curriculum adoption
- Lack of dedicated staff and financial resources --> delivery model issues
- History of financial literacy legislation

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Kathy Anderson  
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Dave Floreen  
Paul Gentile  
Tom Graf  
Bill Hart  
Clantha McCurdy  
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## College Presenter: David Floreen



- Served as Senior Vice President of Massachusetts Bankers Association for many years
- Experienced in providing financial literacy education in K-12 schools and colleges
- Active in the development and implementation of legislative and regulatory banking initiatives

## College: Making the Case Why Should College Financial Education Be a Priority?

- Young individuals tend to have the lowest levels of financial education. [FINRA]
- Not necessarily taught in high school or college.
- Parent involvement (family socialization of financial matters) is mixed
- Issues for low to moderate income parents are very complex
  - limited assets
  - greatest need for financial assistance to pursue a college degree.
- Today's profile of undergraduate students in MA is very diverse, particularly in age and socio-economic background.
- The average student loan debt upon graduation in MA is \$28,460. [2014 Report of the Joint Committee on Higher Education's Subcommittee on Student Loan and Debt]

## College: Next Steps

- 11 working recommendations under review
- Identifying joint recommendations
- Exploring various approaches:
  - Key entry points
  - Dual enrollment
  - Teacher training
  - Access to college savings products

Please share your input with us!

## 2) Enrolled & Beyond

- Leverage the college orientation period as a teachable moment
- Connecting students with benefits and services that can help them become more financially stable (VITA sites for example)
- Better prepare students to understand their responsibilities and options for loan repayment
- Increase the educational attainment, create post-secondary-bound identities & foster early family financial planning

## 1) High School to College Transition

- Better guidance for students on their college selection process.
- More relevant timeline and consistent information on how to finance college using with a financial aid shopping sheet
- Better preparation for class selection before college to ensure for cost savings and prioritize course credits towards credential.
- Continue to simplify that FAFSA process and increase awareness of financial aid available
- Creating opportunities for training for teachers, faculty and counselors
- Strengthen state agency collaboration

## College: Opportunities Two Critical Junctures

### 1) High School to College Transition

### 2) Enrolled & Beyond

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**1) High School to College Transition**

**2) Enrolled & Beyond**

- Creating opportunities for counselors
- Strengthen state and local efforts

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Giles Li  
Margaret Milley  
Russet Morrow  
Rick Musiol, Jr.  
Mary Sullivan  
Jeanne Thompson  
Megan Yost

## Adult Presenter:

George Blount



- Over 20 years of experience in financial services
- With John Hancock Financial Services since 2003
- Manages multi-strategy research in retirement, savings and financial decision-making

## Adult Subgroups

- Low to Moderate Income
- First-generation immigrants
- Women
- Parents
- Seniors
- Veterans

## Adult: Making the Case

### Low to Moderate Income Individuals

- 38.7% of MA households do not meet the Economic Self-Sufficiency Index (Center on Women's Union)
- 76.9 percent of consumers who earn between \$20,000 or less are either unbanked or underbanked
- 24.2% of MA households are "near poor" or do not have enough net worth to offset or the poverty level for three months in the absence of income [FEB 2014]
- Low and moderate income children with dedicated college savings of \$100 or less are three times more likely to attend college and four times more likely to graduate from college than those without savings. (Assets and Education Initiative [2013])

## Adult: Making the Case

### First-Generation Immigrants

- More likely to be unbanked
- Less likely to participate in formal retirement savings programs
- Have lower levels of financial literacy
- Inability, access or use of financial services has direct implications for:
  - Long term wealth accumulation
  - Financial sustainability in the face of economic hardship

## Adult: Next Steps

- All working recommendations should reflect the "Just in Time" Theory
- People make better financial decisions when they are provided information as they are making that decision.
- A best practice for improving financial capability

Please share your input with us!

## Adult: Opportunities

- Approach recommendations for each subgroup using the "Financial Fast Start" Approach
- Start early as recommended by Financial Literacy and Education Commission (FLEC)
- Create further awareness of existing programs
  - "Basic Banking" by MA Community Banking Council
- Targeted public education and awareness for those most impacted by Alternative Financial Services
- MyMoney5—earnings, borrowing, spending, protecting financial resources, savings, investing (mymoney.gov)

## Adult: Making the Case

### Seniors

- Financial literacy was found to decrease with age
- Many older adults who scored poorly on a financial literacy survey gave themselves the highest ranking when asked to assess their own level of knowledge

### Veterans

- Financial management is as strong an indicator of homelessness as income
- Military personnel are prime targets for unlawful sales practices of financial criminals who want a piece of the troops' regular paychecks and often take advantage of their frequent moves.
- Military personnel will lose their security clearances for signs of debt and other personal finance problems.

## Adult: Making the Case

### Parents

- Young people who are prepared for parenting need to have the knowledge, attitudes, and skills to manage finances and navigate financial institutions.

### Women

- Women are falling behind men in financial literacy.
- Median debt for women 110% higher than men, 51% single female head of households MA are defined as Liquid Asset Poverty (2013 Survey of Consumer Finance)
- Median earnings of women working full time is 80% of what men earn
- Women less likely to have access to employer-sponsored benefits and pension (2013 Risk-and-Retirement Survey)

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# **Question & Answer Session**

**If you have any additional questions or suggestions,  
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**[empowerment@tre.state.ma.us](mailto:empowerment@tre.state.ma.us)**

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**Twitter: @EmpowermentMA**